

March 20, 2007

Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, On
M4P 1E4

Re: Multi Year Electricity Distribution Rate Setting Plan Selection of Electricity Distributors for Rebasing Board File No. EB-2006-0330

In the Board's letter of March 12, 2007, it was requested that any distributor wishing to self-nominate to be rebased in a particular year should provide a letter to the Board indicating such. Barrie Hydro Distribution Inc. (licence # ED-2002-0534) would like to self-nominate for rebasing for 2008. Our reasoning for this request is as follows:

1. Barrie Hydro's service area is part of a high growth portion of the province, often ranking as one of the first or second fastest growing areas in Ontario. As such, capital expenditures to service this growth as well as to maintain reliability and service levels have and continue to exceed our current depreciation levels by material levels. To accurately reflect our current levels of capital spending in our rate base and therefore maintain a realistic level of recovery through our rates, Barrie Hydro feels it is important to rebase as soon as possible.
2. With the current transfer tax holiday resulting in an increased level of opportunities for Mergers and Acquisitions among distributors, Barrie Hydro is of the opinion that an early rebasing will provide increased revenue requirement certainty, to more confidently consider an M&A opportunity should it arise. Therefore we feel that rebasing in 2008 would be beneficial from this aspect as well.
3. Barrie Hydro's understanding of the filing guidelines for COS rebasing is that results of the recent Cost Allocation Filing will provide guidance in potential review of fair and equitable rates for all customer classes during any COS filing. Barrie Hydro maintains that this is an important review and should be performed as soon as prudent. Rebasing in 2008 provides an opportunity to accomplish this.



Thank you for the opportunity to provide input on this important question. We trust the above will allow you to look favorably upon our request for rebasing in 2008. Please contact the undersigned if you have any questions.

Yours truly,

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